



DEPARTMENT OF PERSONNEL

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MEMO PERD #22/05

June 14, 2005

TO: Agency Personnel Liaisons
Agency Personnel Representatives
Agency Payroll Clerks

FROM: Jeanne Greene, Director
Department of Personnel

SUBJECT: PROCESSES TO IMPLEMENT 2005 LEGISLATIVE SALARY
CHANGES

The 2005 Legislature, in AB 577, approved a variety of salary changes that are outlined in PERD #21/05. In addition to the AB 577 salary changes, similar increases will be applied to non-classified employees along with the passage of the Occupational Group Study and retirement rate changes. In most cases, these salary changes will be implemented systematically with a few exceptions.

The AB 577 changes are listed below in the same order as they were in PERD #21/05 followed by, if applicable, special processing instructions for items that cannot be systematically implemented. Information regarding the Non-Classified Salaries, Occupational Group Study, Retirement Rate changes and important Deadline Dates is also included.

AB 577 - SALARY CHANGES

CLASSIFIED EMPLOYEES

Grants a 2% cost-of-living adjustment on 7/1/05 and another 4% cost-of-living adjustment on 7/1/06.

Special Processing Instructions: The increase will automatically be implemented, and there will be no need to submit individual Employee Status Maintenance Transaction (ESMT-A) documents with the exception of those employees on retained rate.

- Employees on a retained rate less than two years that have an employment status of “M” are eligible for the 2% increase, which will be automatically generated by the system.
- Employees currently with an employment status of “M” that have been on a retained rate for more than two years and the employment status has not been updated to a “U” will be overpaid. To avoid this an ESMT-A needs to be submitted updating their employment status to a “U” code; the effective date should be the two-year expiration date. The current salary information needs to be included on the ESMT-A (do not include the 2% increase).
- Employees on retained rate with an “N”, “R”, or “U” employment status, are not eligible for a 2% pay increase and therefore, an ESMT-A is not needed.

Note: You may obtain a list of employees currently on retained rate through the Human Resources Data Warehouse (HRDW). Select *Employee Rosters/Action History*, and select the appropriate agency. Select *EMPL* and a spreadsheet will be displayed which contains the *Empl Status* for all agency employees. The retained rate employees will have the Employee Status codes as noted above. If you need assistance obtaining this report, please contact the IFS-HR Help Desk at (775) 684-8696.

Turn-around documents noting the 2% increase will be generated for employees who are unclassified, classified medical, non-classified or on a retained rate after the cycle on July 8, 2005. Once your agency has received the turn-around documents, they are to be reviewed by your agency personnel liaison for any adjustments that would need to be made and submitted by the PP 03 Records deadline.

Adds a 10th step to the pay schedules

Special Processing Instructions: Each full-time employee at step 9 with a pay progression date on or before July 1, 2004, will automatically move to a step 10.

Employees at step 9 have been identified in the system with a blank current pay progression date. For these employees, a system generated pay progression date of July 1, 2004, will be added to their record.

Within a week we will be providing you a list of all employees at a step 9 who meet the criteria to be progressed to the new step 10. Agencies **must** review this list for any employee having criteria that would adjust the pay progression date according to NAC

284, for example; a Does Not Meet Standard evaluation within the last 90 days, used LWOP or Catastrophic Leave over the allowed 240 hours, etc. If the employee is not eligible to move to step 10, please indicate the employee is not eligible, sign and date the report and return it to Records by June 24th for corrections to be made in the system. Failure to do this will result in payroll overpayments.

Grants a two-grade increase for certain law enforcement, correctional officer, nursing, dispatch, and youth corrections personnel.

Special Processing Instructions: The two-grade increase will be generated systematically for all eligible employees. Agencies are not required to process any paperwork to apply this change.

UNCLASSIFIED EMPLOYEES

Grants a 2% cost-of-living adjustment on 7/1/05 and another 4% cost-of-living adjustment on 7/01/06.

Special Processing Instructions: An appointing authority has the option to set the salary for an unclassified employee at or below the authorized maximum salary. The 2% salary increase will be systematically generated for all unclassified employees. If you wish to set the salary at a rate different than the 2% increase over the current salary, an ESMT-A must be submitted. The ESMT-A must have the effective date of July 1, 2005, along with a notation under the "Remarks" section indicating this action reflects an adjustment to the cost-of-living increase.

Turn-around documents noting the 2% increase will be generated for employees who are unclassified, classified medical, non-classified or on a retained rate after the cycle on July 8, 2005. Once your agency has received the turn-around documents, they are to be reviewed by your agency personnel liaison for any adjustments that would need to be made and submitted by the PP 03 Records deadline.

Allocated all department directors, deputy directors, division administrators, attorneys, physicians, psychiatrists, dentist, pharmacists, veterinarians and executive assistant positions to the unclassified service. (Deputy administrators currently in the classified service will remain in the classified service and unclassified deputy administrators will retain their unclassified status).

Special Processing Instructions: Positions that were moved from classified to unclassified have been assigned a new Title Code that begins with a "U". The current incumbents in these positions have the option to elect to stay in classified service or move to unclassified service (refer to Classified/Unclassified Service Option Form transmitted with PERD #21/05).

If the employee elects to remain classified, the Classified/Unclassified Service Option form designating the election must be sent to the Records Section by June 24, 2005. There are no changes required on an ESMT-A and the employee will maintain their current Title Code.

If the employee elects to move to unclassified service the ESMT-A sections must be completed as follows:

- **Job Assignment** - *Effective Date* – date employee chooses to move to unclassified service (on or after July 1, 2005), *Personnel Action* – CHGAP, *Reason* – 006, *Emp. Status* – X, *Table Driven Pay* – NO, *Step* - delete the current step.
- **Dates** - Remove the *Probation Start*, *Probation End* and *Pay Progression Start* dates.
- **Assignment Attributes** - Change the *Title* code to the new “U” *Title code*, which can be found on the list distributed with PERD #21/05 entitled “Classified Positions Incorporated into Unclassified Service” or the Unclassified Compensation Schedules also contain this information. Change the *Pay Policy* to the appropriate unclassified pay policy.
- **Pay Parameter** – *Pay Type* - PRT, *A/P IND* - A, *Amount* - hourly rate, *Effective Date* – same as *Effective Date* used in Job Assignment section (see above).

Note: The ESMT must have the “Classified/Unclassified Service Option” form attached designating the election to move to unclassified service.

If the current salary for an unclassified employee exceeds the maximum salary set forth in AB 577, the incumbent will be retained at the salary rate in effect on 6/30/05 and will be eligible for cost-of-living adjustments granted to other unclassified positions as long as they remain in their current position.

Special Processing Instructions: An ESMT-A must be completed changing the *Emp. Status* to “M” (Retained Rate) effective 7/1/05.

Note: These employees will automatically receive the 2% cost-of-living increase over their current salary unless an ESMT-A is processed to implement a different rate (discussed above under Unclassified Employees).

Allows current classified employees whose positions are allocated to the unclassified service the option to remain classified at the classified rate of pay including any cost-of-living adjustments and merit salary increases, until they vacate the position.

Special Processing Instructions: If the current incumbent elects to stay classified and not move to unclassified service (refer to Classified/Unclassified Service Option Form transmitted with PERD #21/05) no ESMT-A is required and the incumbent will maintain their current Title Code. However, it is critical that agencies monitor these positions to ensure that when the current incumbent vacates the position it is subsequently filled as unclassified. To assist in this effort, a system generated edit has been installed to provide a warning message when any personnel actions are processed for unclassified positions filled with classified employees. The edit is as follows:

Error Code - NVB2W

Error Message - POSN GRADE > EMPL GRADE

Explanation: There is a conflict between the grade of the position and the incumbent grade. Examples: Underfill; OR Leg Session 2005 passed AB 577 which moved some classified positions to unclassified. Incumbents in these positions were allowed to remain classified until they vacated the position. These positions cannot be refilled with classified employees.

The above error message does not require a system override. It is intended to warn the user to stop processing the transaction if the transaction is to refill the unclassified-position with a classified employee.

If the current employee chooses to be moved to the unclassified service, that position cannot be reverted back to classified service. Future vacancies must be filled by an unclassified employee at the rate of pay specified for that position.

Special Processing Instruction: Not Applicable

NON-CLASSIFIED EMPLOYEES

The appointing authority sets the salary for non-classified employees. The 2% salary increase will be systematically generated for all non-classified employees. If you wish to set the salary at a rate different than the 2% increase over the current salary, an ESMT-A must be submitted. The ESMT-A must have the effective date of July 1, 2005, along with a notation under the "Remarks" section indicating this action reflects an adjustment to the cost-of-living increase.

Turn-around documents noting the 2% increase will be generated for employees who are unclassified, classified medical, non-classified or on a retained rate after the cycle on July 8, 2005. Once your agency has received the turn-around documents, they are to be reviewed by your agency personnel liaison for any adjustments that would need to be made and submitted by the PP 03 Records deadline.

OCCUPATIONAL STUDY CHANGES

Department of Personnel staff will be contacting the affected agencies to provide specific direction.

RETIREMENT RATE CHANGE

The retirement rate changes are outlined in PERD #21/05. These rate changes will be made systematically with the exception of non-table driven employees contributing to the Employer Paid Contribution plan. This rate change will be reflected on the first paycheck in August 2005. Correspondence will be forthcoming which will contain detailed processing instructions.

DEADLINE DATES

If the Special Processing Instructions noted above require the submittal of an ESMT-A the documents must be received in Central Records **no later than June 24, 2005**, to be processed for the July 15, 2005, paychecks.

Back-Up Documents - One exception to the June 24, 2005, ESMT-A deadline, is any ESMT document with a transaction effective date prior to July 1, 2005, which needs to be submitted to Central Records no later than Tuesday, June 27, 2005, in order to avoid submitting "back up" documents.

Any ESMTs submitted after the June 27th date with an effective date prior to July 1, 2005 **will require** a "back-up" document.

Should you have any questions regarding the implementation of the pay increases, please contact your designated personnel representative in the Central Records Section.

JG:sa